

Kruger Ci International Flexible Feeder Fund

December 2021



KRUGER
International
Asset & Wealth Management

INVESTMENT OBJECTIVE

The Kruger Ci International Flexible Feeder Fund is a Feeder Fund. The investment objective of the fund is to provide investors with long-term capital growth by providing investors with exposure to an international collective investment scheme fund comprising a diversified mix of global exposure to various asset classes.

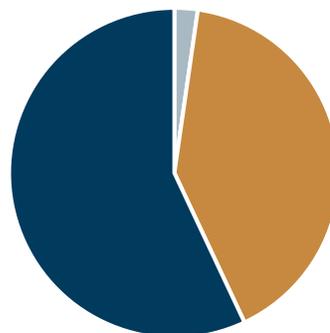
THE KRUGER INVESTMENT COMMITTEE

Hein Kruger:	Chief Investment Officer
Mia Kruger:	Fund Manager
Johan Marais:	Investment Committee Member
Charl Bester:	Investment Committee Member
Analytics Consulting:	Investment Consultant

ABOUT THE FUND

Investment Manager	Hein Kruger Internasionale Fondsbestuur (Pty) Ltd
Regulation 28 Compliant	No
Benchmark	USD Flexible Allocation (ZAR)
Equity Exposure	The fund is fully flexible and has no limitation on asset classes.
Foreign Exposure	The fund will maintain an exposure of at least 80% in foreign assets
ASISA Classification	Global – Multi Asset – Flexible
Risk Profile	High
Transaction cut-off time	14:00
Valuation time	17:00

ASSET ALLOCATION



Latest available data

HISTORIC FUND PERFORMANCE (Annualised)

	1 Year	3 Year	5 Year	10 Year
Kruger Ci International Flexible Feeder Fund (Class A)	15.89%	13.84%	10.69%	13.35%
Benchmark	17.15%	13.49%	11.10%	13.87%
Highest return over 12 rolling months				41.96%
Lowest return over 12 rolling months				-25.86%

FUND MANAGER'S COMMENTARY

<p>International:</p> <p>The upward momentum in global markets resumed in December amid the traditional positive festive mood. This happened despite the FED's change of mind on monetary policy in November against a background of surging inflation and increasing calls by private economists and fund managers that they were way behind the curve. FED Chairman Powell indicated that the dreaded word "transitory" that became synonymous with their dovish stance on inflation over the past 2 years had at last been retired and that the normalisation of economic activity has now enabled the bank to start withdrawing support to the economy. This included curtailment of the FED's \$120 000 billion monthly bond buying program, a readiness to start hiking interest rates and to start deflating the FED's monstrous balance sheet. The markets were initially caught off guard, but confidence soon returned amid solid incoming economic data and expectations that the past year's record corporate earnings will be repeated in 2022. Meanwhile, the robust debate about the stickiness of inflation and supply chain disruptions continued unabated – annualised CPI inflation has now reached 7.0% in the US, 5.0% in Europe and 5.4% in the UK. Omicron, Covid-19's latest variant has kept the pandemic in the headlines which, at the time of writing, had surfaced all over the world. Early indications are that the virus is causing milder infections than the Delta variant but that it is far more transmissible – the full impact on the global economy and the markets are still playing out. The slowing Chinese economy, President Biden's mounting political challenges and increasing geopolitical risks are adding to the headwinds. On the data front, the headline US employment number for December disappointed as non-farm payrolls increased by only 199 000 jobs against an expected 420 000 but on deeper analysis it reflects an extremely tight and strong labour market. The employment data for the past two months were revised higher while the unemployment rate again improved sharply to 3.9% from 4.1% in November and 6.3% at the start of the year. Average hourly earnings rose more than expected at the fastest pace in nearly 40 years. Wages climbed 0.6% for the month and were up 4.7% year over year. That compares with respective estimates of 0.4% and 4.2%. With the fourth quarter reporting season in full swing, the jury remains out on the quality and sustainability of last year's record earnings, especially if the FED's hand is forced to act more aggressively on monetary policy. Markets gained across the board in December – the MSCI All Country Index by +3.79% (+16.24%ytd); the Dow Jones Industrial Index by +5.53% (+20.95%ytd); the S&P 500 by +4.48% (+28.71%ytd) and MSCI Emerging Markets Index by +3.14% (+12.33%ytd) – all in US dollars.</p>	<p>Local:</p> <p>Recent economic data continue to come in with a slightly firmer undertone, but the economy remains vulnerable to several challenges. Among the most important are the escalating political tension in the leadup to the December ANC leadership election, the release of the first of three reports by the Zondo Commission's investigation into state capture – critically the speed and decisiveness of the government's response to some of the far-reaching recommendations will determine the success of this huge and costly exercise. President Ramaphosa's immediate release of the report to the public was a wise move and earned him political points. Among the systematic headwinds, the most telling are erratic power supply, chronic and worsening unemployment, and the government's inability to kickstart the economy. Thankfully, and in contrast to the rest of the world, the new Covid-19 variant (Omicron) appears to have already passed its peak. The main driver behind the improving local economic situation remains the pent-up global commodity demand in the wake of the post Covid-19 re-opening. This has led to solid spikes in volumes and prices but on the flip side to increasing supply chain challenges which have choked up many supply lines with severe inflation implications. The prices of certain commodities have recently subsided, mainly on the back of the slowing Chinese economy, but the overall picture remains solid. Fresh economic data for the new year are still being awaited but so far manufacturing production for November recovered somewhat by rising 3.7% month on month against expectations of +5.1% and after plunging by 5.2% in October. Retail sales rose by an impressive 1.9% month on month in November, after contracting by a disappointing 1.3% in October. Among negative data points were year on year inflation that rose sharply by 5.9% for January, significantly higher than the expected 5.7% and December's 5.0%. It is therefore widely expected that the Reserve Bank will continue the path of stricter monetary policy. In contrast to global markets, the FTSE JSE All Share Index advanced by +4.80% (+29.23%ytd) in November, mainly due the weaker Rand. All the Kruger Funds followed suit – the Equity Fund by +2.70% (+24.54%ytd); the Balanced Fund by +2.15% (+20.15%ytd); the Prudential Fund by +1.45% (+16.13%ytd) and the International Flexible Feeder Fund by +0.40% (+15.89% ytd).</p>
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This document is a Minimum Disclosure Document (MDD) which contains key information about this fund. This MDD will be updated on a monthly basis. Sources: Performance sourced from Morningstar and Portfolio Analytics Consulting, for a lump sum using NAV-NAV prices with income distributions reinvested. CPI for all urban areas sourced from Factset. Asset Allocation and Top 10 holdings data compiled by Global Investment Reporting SA ("GIRSA")

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ABOUT THE FUND

Fund Size	R 756.6 million
Fund Launch Date	12 February 2007
Class Launch Date	(A): 12 February 2007, (G): 2 September 2019
Opening Class NAV Price	(A): 1000.00 cents per unit
Opening Class NAV Price	(G): 100.00 cents per unit
Frequency of pricing	Our daily NAV prices are published on our website and in the national newspaper

FUND FEES

Initial Fee	Class A: 0.00%, Class G: 0.00%
Initial Advisory Fee	Maximum 3.00% (Excl. VAT)
Annual Service Fee	Class A: 0.20% (Excl. VAT)
Annual Service Fee	Class G: 0.30% (Excl. VAT)
Annual Advisory Fee	Maximum 1.00% (Excl. VAT)

DISCLOSURES

FAIS Disclosure

The annual fees include a fee of up to 0.20% (Class A) or 0.30% (Class G) payable to Ci Collective Investments. All fees stated are exclusive of VAT. Please note that in most cases where the financial services provider (FSP) is a related party to the fund manager, the FSP/distributor may earn additional fees other than those charged by the fund manager. A FX fee of up to 0.05% (incl. VAT) on any FX transactions may be payable to Kruger International. Kruger International is an indirect shareholder of Ci Collective Investments. Kruger International Mauritius (KIM) is the investment advisor on the International Flexible Fund. The fund will invest in the International Flexible Fund. KIM and SIP may earn an annual investment advisory fee of up to 1.00% on this investment. Kruger International does not charge an annual management fee against the value of investments that are placed in the International Flexible Fund.

Characteristics

This is a global multi-asset flexible equity fund which means that the fund may have a maximum equity exposure of up to 100% at all times. This fund is a feeder fund which means that it may only invest in a single unit trust, exchange rate swaps and assets in liquid form. A feeder fund is a fund that invests in a single fund of a collective investment scheme, which levies its own charges, which could result in a higher fee structure for the feeder fund.

Risk Reward Profile: High

Typically, the lower the risk, the lower the potential return and the higher the risk, the higher the potential return. There is no guarantee that returns will be higher when investing in a fund with a higher risk profile. The risk profile for this fund is rated as high, as it may invest up to 100% in equity securities, both locally and abroad. The risk refers only to volatility.

RISK DEFINITIONS

Market Risk

Equity markets are volatile and the price of equities fluctuate based on a number of factors such as changes in the economic climate, general movements in interest rates and the political and social environment which will also affect the value of the securities held in the unit trust, thereby affecting the overall value of the unit trust.

Currency Risk / Foreign Exchange Risk

This risk is associated with investments that are denominated in foreign currencies. When the foreign currencies fluctuate against the South African Rand, the investments face currency gains or losses.

Concentration Risk

Unit Trusts pool the assets of many investors and use the proceeds to buy a portfolio of securities. There are regulations in place which limit the amount that a unit trust may invest in securities, thereby spreading the risk across securities, asset classes and companies.

Liquidity Risk

This relates to the ability of the unit trust to trade out of a security held in the fund at or near to its fair value. This may impact on liquidity and in the case of foreign securities, the repatriation of funds.

Credit Risk

Credit risk arises where an issuer of a non-equity security or a swap is unable to make interest payments or repay capital, which could result in losses to the fund.

Total Return Swaps Risk

The fund may invest in total return swaps. Total return swaps are unlisted instruments issued by a bank to provide the return of a specific index. The value of the instrument is directly linked to the performance of the underlying equities in the index and will fluctuate in line with daily market movements. Some of the equity exposure in the fund could be derived through total return swaps instead of physically holding the underlying equities.

Inflation Risk

The risk of potential loss in the purchasing power of your investment due to a general increase of consumer prices.

Political Risk

The risk that investment returns could suffer as a result of a country's political changes or instability in the country. Instability could come from changes in the country's government, policy makers or military.

Tax Risk

This risk relates to any change to tax laws or to the interpretation of existing tax laws which has an impact on the manner in which unit trusts are taxed.

Compliance Risk

This refers to the risk of not complying with the legislation, regulations, prescribed investment limits and internal policies and procedures by the manager or the fund manager.

This document is not intended to address the personal circumstances of any Financial Services Provider's (FSP's) client nor is it a risk analysis or examination of any client's financial needs. Collective Investment Schemes in Securities ("CIS") are generally medium to long term investments. The value of participatory interests may go down as well as up and past performance is not necessarily a guide to future performance. CIS are traded at ruling prices and can engage in borrowing and scrip lending. Different classes of units apply to this fund and are subject to different fees and charges. A schedule of fees and charges is available on request from Ci. Ci does not provide any guarantee either with respect to the capital or the return of the fund. Forward pricing is used. Fluctuations or movements in exchange rates may cause the value of underlying international investments to go up or down. International Investments may include additional risks such as potential constraints on liquidity and repatriation of funds, macroeconomic risk, political risk, foreign exchange risk, tax risk, settlement risk as well as potential limitations on the availability of market information. The fund may be closed from time to time in order to manage it more efficiently in accordance with its mandate. The Kruger funds are funds established and administered by Ci, and Kruger has been appointed to manage and market the funds. Kruger is an indirect shareholder of Ci. As an indirect shareholder, Kruger may earn dividends from time to time and participation in any dividends may be linked to the revenue generated by Ci from the Kruger funds, and from any other Ci funds. Ci retains full legal responsibility for this co-named fund. Additional information on the fund may be obtained, free of charge, directly from Ci. Ci is a Non-Voting (ordinary) Member of the Association for Savings & Investment SA (ASISA).

Total Expense Ratio (TER): The above TER % has been annualised and indicates the percentage of the value of the fund which was incurred as expenses relating to the administration of the fund over the rolling 3 year period or since fund inception, on an annualised basis. A higher TER does not necessarily imply a poor return, nor does a low TER imply a good return. The current TER's cannot be regarded as an indication of future TER's. Transaction Cost (TC): The above TC % has been annualised and indicates the percentage of the value of the fund which was incurred as costs relating to the buying and selling of the assets underlying the fund. Transaction Costs are a necessary cost in administering the fund and impacts fund returns. It should not be considered in isolation as returns may be impacted by many other factors over time including market returns, the type of fund, investment decisions of the investment manager and the TER. Total Investment Charge is the TER plus TC which indicates the percentage of the value of the fund which was incurred as costs relating to the investment of the fund. The TER and Transaction Costs cannot be determined accurately because of the short life span of the Financial Product. Calculations are based on actual data where possible and best estimates where actual data is not available. Calculations are based on actual data where possible and best estimates where actual data is not available. Performance quoted is for lump sum investment with income distributions, prior to deduction of applicable taxes, included. NAV to NAV figures have been used. The annualised return is the return of the performance period re-scaled to a period of one year. Performance is calculated for the fund and individual investor performance may differ as a result of initial fees, actual investment date, date of reinvestment and dividend withholding tax. Benchmark returns are a combination of the current and historic benchmarks, stitched together on effective date of the change to Kruger Ci International Flexible Feeder Fund, from the Kruger Global Fund of Funds.

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Company/scheme: Ci Collective Investments (RF) (Pty) Limited, PO Box 412249, Craighall, 2024; Tel: 0861 000 881, website: www.cicollective.co.za
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ISIN Number - Class A: ZAE000171880, Class G: ZAE000277034